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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 002496

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SUBJECT: IMPORTANT SIGNS FROM MARJIYAH AND IRAN ON DIRECTION OF IRAQI ELECTIONS AND POLITICAL SITUATION IN IRAQ FROM MEETING WITH NAJAF GOVERNOR ZURFI

Classified By: PRT NAJAF TEAM LEADER ANGUS SIMMONS FOR REASONS 1.4 (b) and (d).

11. (C) Summary: On September 4, 2009, Najaf Governor Adnan Zurfi met Multi-National Corps-Iraq Commanding General (MNC-I CG) Jacoby to discuss upcoming elections and security conditions. Governor Zurfi discussed his concerns related to the upcoming campaign and elections, especially interference from Iran and potential for violence. Zurfi also discussed his province's economic development and need for foreign investment. End Summary.

Political Situation remains fluid

- 12. (C) Najaf Governor Adnan Zurfi told MNC-I CG Jacoby on September 4 that the Iraq government faces several challenges ahead of the upcoming parliamentary elections. Zurfi mentioned that both the Ministry of Finance (MoF) and the Council of Representatives (CoR) are intentionally not passing legislation or approving funding to undermine and weaken the government. Similarly, recent security failures have also served to weaken PM Maliki's position.
- 13. (C) Responding to a question about Sadrist's effectiveness in the Provincial Council (PC), Zurfi said that the Sadrist's have an "anxious ideology". He said that he was trying to work with them and that they have matured in their political skills, but lack a basic policy to work from, requiring them to seek direction and guidance from Muqtada Al-Sadr for nearly all decisions.
- 14. (C) With respect to the Supreme Council for the Islamic Revolution in Iraq (ISCI), Zurfi acknowledged that a real power struggle is ongoing between Humam Hamoudi, Ammar al-Hakim (Chairman of ISCI) and Sadir Al Deen Al-Kubanchi (the main speaker for the Najaf Mosque) and Abdil Abid Al-Mahdi (Vice President of Iraq). While Ammar may have nominal power over ISCI as its leader, Zurfi believes that the real power is derived and decreed directly from Iran.

The Role of the Marjyah in Najaf

- 15. (C) In recent meetings with Grand Ayatollah Ali al-Sistani, Sistani said that "he does not want Iranian influence to increase. We need another face." In fact, Zurfi indicated that Sistani seemed happy that Maliki did not join the new coalition. Zurfi stated that "We rely on Sistani to help keep things stable." However, according to Zurfi, representatives of the recently announced Iraqi National Alliance (INA), who he believes really represent the interests of Iran, have been pressuring Sistani to support the INA. According to Zurfi, PM Maliki hopes that Sistani will not succumb to Iran's pressure. PM Maliki needs time to form a new coalition and find "new faces" to run on his ticket. In Zurfi's assessment, "the only thing that would stop Maliki is Sistani."
- 16. (C) Zurfi told Jacoby that he is working very hard with the Marjiyah to obtain their blessing for their efforts.

Zurfi also met with Sayed Ayatollah Al-Hakim (cousin of ISCI Chairman Ammar al-Hakim) who expressed frustration with Maliki because he believed Maliki's efforts may split the Shi'a.

Potential for Sectarian Violence is real

17. (C) Zurfi continued saying that the religious leaders are very worried about the possibility of the Shi'a clerics issuing a Fatwa with regard to elections (which could lead to additional sectarian violence). However, he contended that events today are not like 2004 and that militias do not have the capability to launch major attacks, but rather have the capability to conduct targeted IED attacks and assassinations.

Interference from Iraq's Neighbors

- 18. (C) In discussing foreign influences in Iraq, Zurfi said that Iraq is being squeezed on both sides by radical elements from both Sunni and Shia camps. Zurfi said that his sources indicate that Iranians may have security elements infiltrating Iraq. In consultations with Prime Minister Maliki on September 2, Zurfi reportedly told Maliki that "ISCI and Sadrists only need a picture of Sulemani in order to be completely Iranian." (Note: Zurfi is using a metaphor to refer to the Iranian Intelligence Chief; Sulemani who Zurfi believes is pulling the strings of the new Shi'a coalition. End Note.)
- 19. (C) According to Zurfi, there are approximately ten to fifteen former security organizations from the old Ba'athist regime that were pushed out of the administration. These individuals have become key recruitment targets for Syria and even Iran. Governor Zurfi speculated that in the run up to the elections the possibility exists for targeted assassinations, bomb attacks) particularly in Baghdad, Mosul and Diyala. Governor Zurfi said Iranians are recruiting ex-Intel officers who worked on the Iran desk. He indicated that Saudi and Syrians are doing the same thing. Zurfi recently met with Ali Larijani (Iran's Speaker of Parliament). He said that Larijiani objects to Iraq appointing good Iraqi former Intel officers because they have a poor opinion of Iran. He says that he has heard similar comments from ISCI and Sadrists. Neverthless, Zurfi discounted the extent of Iran's influence over Iraqi society. While certain groups were under Iran's sway, the majority of Iraqis view Iran negatively due to the role it has played over the past several years.
- ¶10. (C) Zurfi indicated that Saudi Arabia will also attempt to influence the elections through Iraqi tribes and politically through the Bathists. He suggested the U.S. should talk to the Saudis to keep them from interfering. Monies provided directly from Iran and Saudi Arabia together with non-financial assistance from Syria, Jordan and others are actively trying to control Iraqi elections.

Insufficient Investment in Iraq continues

**11. (C) Jacoby asked Zurfi about the general economy. Zurfi explained that the economy is reasonably stable, but that there is severe pressure on the provincial budget. As an example, he cited the fact that the government has not built one new police station in the province since 2003. Further, he noted that Najaf has insufficient investment and is keen to attract US investors. In particular, he is very interested in attracting more banks to the region. He divulged that the current airport manager (Al Aqeeq, a Kuwaiti company) is not performing and may be released from its contract. He suggested that if the province terminates the airport manager's contract, he would be very interested in soliciting an American firm to run the airport. Comment: Zurfi is meeting today (September 5) with the airport security contractor Sabre, which is currently owed USD 7 million by Al Aqeeq and is telling Al Aqeeq that it may have to stop work if it is not paid. End Comment. Also, Zurfi was critical of MOI for choosing to procure Chinese and

Russian-made products over American. He also asked why US automotive manufacturers do not have a retail presence here in Iraq.

112. (C) Comment: Zurfi clearly has the ear of Maliki and key religious leaders in Najaf. Zurfi asked Jacoby for additional support for training and intelligence. He asked the US to extend its strong support for Maliki in the upcoming elections, as well as in keeping Iraq's neighbors out of its politics. In Zurfi's words: "It is OUR business, not just Iraqi business." (emphasis Zurfi's) It is important for Iraq, and the United States, to preserve the democratic gains already made. Despite his appeals for help, Zurfi remained optimistic saying "The elections will provide a chance to elect good people and give new people an opportunity to serve their country."

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